

The Four Ws & One H of Business Development



Business development is a multifaceted undertaking, filled with many variables and thousands of options. To simplify the process, let's break down the various components of smart business development with our old friends: Who, What, Where, Why and How.

Who: Understand Your Buyer Persona

A huge question is “who” you’re targeting, and for that, there’s the concept of the “buyer persona.” Have you heard the term “buyer persona?” If you’re like most printers, you’re probably more familiar with “target market.” Creating a buyer persona is the key to business development, and how it can make those difficult decisions a thousand times easier.

Websites should do more than just be a sales brochure for your business. They must act as a sales funnel, providing potential clients with the information they need to make a buying decision.

To provide the exact content a person needs to make that decision, you need to match your website to the “persona” of your customer. This exercise will not only define your website, but it should redefine your business.

To quote the Internet marketing company HubSpot, “A buyer persona is

an archetype of who your ideal customer is. It helps you identify who they are and what matters to them, so you can make and sell to them more effectively.”

You laugh. Sounds a lot like the old term “target market.” It is, but it’s much more than that. In the past, defining the “target market” meant focusing on the typical demographics of a customer. A printing executive might be: Male, 45–59, annual income more than \$250,000.

That is valuable information, don’t get me wrong, but it doesn’t tell the whole story. The target market approach will tell you how to find someone, but defining a persona will establish what to say when you meet your customer.

Questions & Answers that Define a Persona

HubSpot, an inbound marketing software company, has created a template that you can use to establish your own persona for your customers.

The template works because it asks qualitative questions that get you thinking about your customers in ways you might not have considered before. The ideal approach is to contact your top five to seven customers and ask them these questions.

Industry expert Rock LaManna breaks down the “who, what, where, why and how” of smart business development for the graphic imaging community.



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If you don't want to download the template, here are the big questions:

1. What is their demographic information?

It's important to know as you craft the image of what the persona looks like.

2. What is their job and level of seniority?

Be as specific as you can with this classification. When I say "CEO" versus "middle manager," you immediately think of two different people, and two different priorities.

3. What does a day in their life look like?

Get specific. Think about their day. When are they stressed? How do they work? When will they have time for you?

4. What are their pain points? What do you help them solve?

This proved to be an interesting part of the exercise for us. Like most companies, we tend to be enamored with our products and services. Focusing on their persona's pain points really makes you cut to the chase, and strip away extraneous services. They might make you money, but if they don't deal with a pain point, no one will buy them.

Establishing the pain points also provides you with empathy. You can be Clinton-esque and "feel their pain." They'll appreciate the fact that you're thinking about them and not yourself.

5. What do they value most and what are their goals?

You've just identified their pain points. Now think about the persona's aspirational goals. What do they truly want to achieve? How can you take them to that level?

6. Where do they go for information?

This is a qualitative approach to finding out what websites they visit or who they consult with for decisions. It can dictate where you place your emphasis with your marketing efforts.

7. What experience are they looking for when seeking out your products and service?

By asking your customer this question, you'll get a better idea of how to present yourself both in terms of sales and marketing. You might have a vision of how you want your brand to appear, but if

the persona isn't interested in it, what good will that do you? This question could be instrumental in helping you craft your brand.

8. What are their most common objections to your product or service?

This is a tough question for many companies to ask, because it will poke holes in your approach. But customers tend to be skeptics, and they'll dwell on weaknesses if you don't do anything to address the issue.

Asking these questions to a current customer will also provide you with a sense of their perspective. You may think you're addressing any and all objections with your approach, but that's not always the case.

An interesting approach HubSpot also recommends is creating an Exclusionary Persona. This is a persona of a person who will never buy your products, but will make constant inquiries and suck up a lot of your time.

It's a good practice to define the Exclusionary Persona. Knowing their traits will help you formulate a strategy for handling their requests, potentially even developing a strategy in which they'll lead you to the ideal buyer persona.

Buyer Personas in Action

HubSpot provided some good examples of how companies are using personas to implement and execute marketing campaigns. Here are a few highlights we picked out:

Goodbye Crutches

Goodbye Crutches has established the Motivated Mom, aged 35–55, who has a full and active life.

On their webpage, the company offer is targeted at the persona: "The Ultimate Guide to a Great Halloween on One Foot." I can picture a Motivated Mom, wanting desperately to get out with her kids and make Halloween special. This is terrific marketing to a persona.

JetBlue

JetBlue established a persona of a "low-budget traveler that wants a comfortable yet affordable solution to flying." In many cases, this is likely to be a small-business owner, that might have to sit back in coach.

The headlines use language like "The Boss-Day Sale" and "Fly Like a Boss, Pay Like an Intern" to appeal to this persona.

If you check out the rest of examples by visiting HubSpot's website, you may say, "Wait, these are marketing campaigns. What if I have a sales organization? How can this help?"

Developing a persona can be invaluable to your sales force. Not only will it help you in the development of an effective sales script, it can even help you in role-playing. Note that many companies, in developing a persona, that will actually create pictures to cement an image.

Developing and identifying personas is something you can shrug off as some sort of fluffy marketing approach, or it is something you can adapt as the cornerstone for your entire company's efforts. The companies that get personas, and build everything around them, will be the ones that win — guaranteed. Why? Because you may know everything about your company, your products and your industry, but until you develop a persona, you won't know the most important thing in business: Your customer.

What: The Tactics You'll Take to Pursue Growth

With your persona developed, you should be clear on whether you've got the right products and services for your clients. For example, if the persona you're trying to reach is a conservative print buyer from a large corporation, it might not make sense to purchase a 3-D printer and pursue that market.

However, if your target persona is a high-tech entrepreneur in need of highly customized printing for their product development, you may want to pursue the 3-D market.

Keep your buyer persona in mind and consider some of these business development tactics:

1. Strategically align yourself with your top accounts.

Sometimes when we're looking for organic growth, the answer is right under our nose, and we don't even see it. You work extensively with your key accounts, but have you really explored all the ways you could potentially help them?

Many printers shy away from becoming too dependent on one account that generates more than 20 percent of the company's overall profit, but there's no reason why you can't explore growth opportunities with four or five of your top accounts. Don't worry about going to the well too often; these are key clients because they

trust you. Continue to help them and you'll bolster that trust.

2. Strategically align yourself with key suppliers.

When I was working with Vomela, we had a tremendous partnership with the 3M Company. It was a win-win situation. They knew we would be a good testing ground for their innovative new products, and we cemented ourselves as a valued partner.

Are there ways in which you can provide a strategic partnership with your key suppliers? Be willing to share some of the risks with their new innovations — it's the only way to reap the rewards.

3. Create a joint venture with a new key product or service area.

With the first two strategies, you're hoping to be a part of the innovation from a key account or supplier. But there's also no reason why you can't be the innovator — it's just that you probably shouldn't proceed alone. The key is to define your role, then find a complementary partner. Perhaps you're handling the intellectual property, and then outsourcing the hardware. Out of the gates, you'll maintain your own profit and loss statements and keep the organizations separate. But at a future junction, it may make sense for you to merge and move forward.

4. Develop a new market.

My favorite example of this strategy was employed by Original Wraps, which was recently purchased by a major manufacturer of pressure-sensitive vinyl products. Original Wraps created an ideal niche product — print-on-demand automotive graphics. They worked it, developed it and eventually were purchased by the company.

Obviously developing a new market will not be an overnight cash cow. It can take months or years to develop. But with the right focus and market plan, it can yield the greatest rewards.

Where: Don't Just Look Outside — Look Inside

All too often, companies look outside their own companies for growth. Sometimes, the solution for bottom-line growth can be right under your nose — lean operations.

Lean operations, or lean manufacturing, are based on bringing

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quality improvement to your internal processes. It can help you discover new ways to cut costs and operate in a lean, efficient manner.

Let's look at an example of a printer who, for a lack of a better term, was at the end of his rope. His million-dollar business was losing more millions than it was making.

The problem? To be honest, it started at the top. The owner was making a myriad of management issue mistakes that prevented lean manufacturing from coming to fruition. For instance:

- He wasn't using the resources that were in place. We were surprised to discover that many of the lean manufacturing tools were already in place. The right software was there for ERP, and the talent was waiting to use it.
- He was spending too much time on product development instead of a market development. A typical entrepreneur will spend 80 percent of his or her time on new business development. This particular owner was spending less than 15 percent, and thought that was too high.
- He wasn't on the floor. There appeared to be little interaction between himself and his people running the manufacturing operations. Not much walking the front line to keep troops focused on the job at hand.

The beautiful part of all this is that the ship could be easily righted with some minor adjustments. There was no need to sell the business or to look for new markets. Sometimes we have all the tools we need; it's just a matter of using them more effectively and efficiently.

Why: Make Sure Your Choices Have a Rationale

When you make a decision, be perfectly clear on why you've made your choice.

For example: An owner of a printing company has a cash-flow analysis that indicates things are in horrible shape.

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The bottom line is the individual is losing money hand-over-fist.

This is a grave situation, not only because it means the owner might have trouble meeting payroll, but also because the bank pulling the purse strings is getting itchy — really itchy.

The owner sees that he needs to improve the cash flow, so he does what he's always done. He goes out and buys a new printing press. This is a great move, right? More capacity, more business and more cash flow — problem solved.

Not so fast. As we all know, that printing press is only as good as the work going through it. And to think that a "buy it and they will come" attitude will help you through the day is reckless at best.

Next, the customer doesn't understand that even if he does start to get some more business, he's actually exacerbated the situation by increasing his debt load. The bank, already nervous about his debt ratio at the moment, will positively freak out when they see there's bigger iron added to the bottom line. At this point, you should do three things:

1. Move into expense-cutting mode.

Banks analyze ratios, and the best way to move the dial is to substantially cut back on the fat.

2. Develop business growth strategies that utilize what you've got.

The printer had a great book of business and an incredible staff. Why not focus on generating more profits from existing clients?

3. Enlist the team.

The printer made the purchase without consulting anyone, not even his own internal staff. It's time to circle the wagons and seek out new solutions. Get everyone involved in coming up with a new plan.

Although the owner was taking action, he didn't have a good answer about why he made his decisions.

How: Look to Your Financials

So it all comes down to this — how should you proceed with your business development? This is a lot of information to consider, but really anything you should do should start with your bottom line: Your financials.

By carefully analyzing your company financials, you will understand where your profit center lies, and what exactly is feasible for your company in terms of timing and resources.

All too often, companies find themselves encountering paralysis by

analysis simply because there are too many options. Don't fall into that trap. Start your business development process with a careful analysis of your financials. Once you've got a clear picture of where you're at, it becomes a thousand times easier to determine where you're going.

Rock LaManna is the president and CEO of the LaManna Alliance. The LaManna Alliance helps printing owners and CEOs use their company financials to prioritize and choose the proper strategic transition — including mergers, acquisitions, organic growth and exit/succession plans.

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